9/10/87 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 65 · No. 8 AUGUST 1987

PAPER AND PAPERBOARD DEMAND CONTINUES STRONG

Paper and paperboard producers ran their mills at relatively high operating rates throughout July 1987, reflecting both the new clauses in their labor contracts permitting mills to run in July and December and the strong demand for the industry's products evident throughout the economy.

These new rules have resulted in major changes in the seasonal pattern of production. The API Economics Department has taken these changes into account by revising the factors used to calculate the seasonally adjusted data on the basis of the actual experience of the past twelve months.

These revisions resulted in a relatively smooth seasonally adjusted production trend throughout the past eighteen months, with the July 1987 rate only modestly above that of June. At the same time, the unadjusted July 1987 production total for paper was only fractionally below its June level while paperboard production exceeded its June level, a pattern that would have been impossible under the old work rules. The seasonally adjusted rate of total paper and paperboard production in the Januarly-July 1987 period was 73.1 million tons per year, 4.6% above its year-ago rate. Paper, at 36.2 million tons, gained 3.5%; paperboard, at 36.9 million tons, 5.6%

Paper: Paper has generally been following a flatter trend than paperboard, reflecting, in part, the smoother inventory patterns evident at paper mills, converters and users. One grade, coated papers, was affected by major swings in user inventories in the 1984-1986 period, but the trend in user inventories has been relatively smooth during 1987.

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The major strength in the paper grades continues to be in the printing-writing grades, with coated papers turning in a particularly strong performance: shipments in the first seven months of 1987 were 10.7% above their year-ago level. Major gains continue in shipments to commercial printers, label and wrap and other converters. At the same time, imports of coated papers are continuing strong. The recently-reported June 1987 rate was close to 600,000 tons per year, while the January-June 1987 total was 22% above its year-ago level, so that imports of coated papers accounted for 8% of the total new supply in this period.

The year-to-year gain in shipments of uncoated free sheet papers and newsprint were close to the 3.6% average shown for all papers. Newsprint production, at 5.8 million tons per year for the January-July 1987 period, was equivalent to about 97% of the capacity total reported for this grade for 1987. Newsprint imports, at 9.0 million tons per year, gained 7% over their year-earlier rate in the first half of 1987, attesting to the strong demand for newsprint in the United States.

Among the other grades of paper, kraft paper production continues to show declines, with the 7-month 1987 total 7.9% below its year-ago level. However, production of the other packaging and industrial converting grades showed a 10.9% increase.

Paperboard: The major strength in paperboard continues in the containerboard grades. Production of containerboard for domestic use rose 7% in the first seven months of 1987, with total unbleached kraft paperboard showing similar gain. Shipments of fibre boxes gained 4.2% in this period, but inventories at mills and plants remained at an estimated 5.8 weeks of supply compared to its year-ago 5.7 weeks of supply.

Production of the boxboard grades is showing more modest growth, with all the major packaging grades following this pattern. The output levels, however, are at record highs. Production of total recycled paperboard, at 8.5 million tons per year, gained 5% from its year-ago level and it, too, is at a record high.

FIBROUS RAW MATERIALS

Production of chemical paper grade market wood pulp maintained its record-setting pace with a seven-month 1987 rate of 6,725,000 tons per year, 8.8% above its comparable year-ago rate. Shipments, at 6,705,000 tons, held close to the production total, but showed only a 4.6% gain over its 1986 total, reflecting the different inventory trends. In the year-ago period inventories were sharply reduced while in the current year, as the 1987 totals show, inventories held flat. As of the end of July 1987, inventories were equivalent to 16 days of supply, compared to 18 days one year ago and 32 days as of the end of July 1985.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

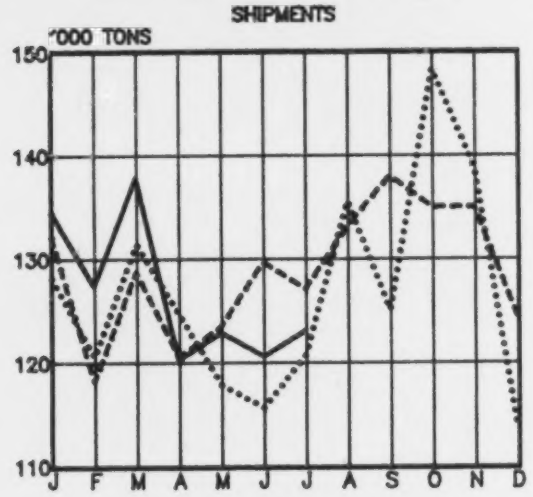
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1985	YEAR 1986	APRIL 1987	MAY 1987	JUNE 1987 (P)	JULY 1987 (P)	Annual Rate Y-T-D 1987	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,428	5,630	462	500	490	502	5,760	2.8
- Shipments	5,431	5,638	472	499	497	498	5,772	4.2
Printing & Writing Sum (R)	18,423	19,601	1,693	1,684	1,702	1,702	20,225	5.2
Groundwood Paper - Shipments (R)	1,521	1,540	120	123	121	123	1,520	0.6
- New Orders (R)	1,477	1,553	109	121	127	131	1,527	-1.4
-Unfilled Orders (R)	106	124	116	113	123	129	129	-3.1
Coated Papers - Shipments (R)	5,875	6,263	548	554	569	563	6,649	10.7
- New Orders (R)	5,642	6,334	561	630	651	600	6,938	12.2
- Unfilled Orders (R)	393	469	443	521	604	646	646	26.2
Unctd Free Sheet - Shipments (R)	9,690	10,410	906	891	903	915	10,703	3.7
- New Orders (R)	9,704	10,485	892	903	911	921	10,661	1.7
- Unfilled Orders (R)	509	587	533	551	556	563	563	-9.9
Thin Papers - Shipments	262	247	20	19	18	16	229	-9.5
Cotton Fiber Paper - Shipments	144	152	14	13	15	10	159	4.0
Bleached Bristols - Production	930	990	85	86	76	75	966	-2.8
Tissue Paper - Production	4,941	5,095	429	441	436	432	5,196	2.7
Total Packaging & Other Paper	5,204	5,117	425	396	407	389	5,046	-1.4
Unbl. Kraft Paper - Shipments	3,403	3,303	265	233	247	241	3,086	-7.9
Other Paper - Production	1,801	1,814	160	162	160	148	1,959	10.9
TOTAL PAPER-Production-Unadj.	33,996	35,443	3,010	3,021	3,035	3,025	36,227	3.5
-Production-S.A.			3,018	3,020	3,022	3,024	36,204	3.5
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,336	2,320	2,464	2,386	2,475	28,630	5.8
Total Unbl. Kraft Paperboard	16,368	17,689	1,492	1,626	1,573	1,632	18,606	6.6
Unbl. Kraft Linerboard (1)	15,183	16,402	1,381	1,515	1,454	1,509	17,245	6.9
Production for Export	1,830	2,246	194	190	187	227	2,280	3.1
Other Unbl. Kraft Paperboard	1,184	1,287	111	112	119	123	1,361	2.3
Semichemical Paperboard	5,088	5,376	463	463	466	471	5,610	5.8
Production for Export	189	213	18	24	19	16	215	21.5
Solid Bleached Paperboard	3,948	4,271	366	375	347	372	4,414	2.4
Production for Export	466	569	54	50	37	44	577	1.0
Recycled Paperboard	7,630	8,083	741	647	706	665	8,462	5.0
Production for Export	26	70	3	3	5	12	51	-28.7
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,061	3,111	3,092	3,140	37,092	5.6
- Containerboard Prod.(Dom. Use)	20,042	21,426	1,846	1,956	1,900	1,925	22,596	7.1
- Boxboard Prod.(Dom. Use) (2)	5,673	5,903	513	490	490	499	6,102	2.5
- All Other P'bd Prod.(D.U.) (2)	4,808	4,992	444	398	454	418	5,271	4.5
- Total Paperbd Prod. for Export	2,511	3,097	258	267	248	298	3,123	3.0
TOTAL PAPERBOARD PROD.- S.A.			3,072	3,080	3,089	3,097	36,868	5.6
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,030	70,861	6,071	6,132	6,127	6,165	73,319	4.5
Production - S.A.			6,090	6,100	6,111	6,121	73,072	4.6

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

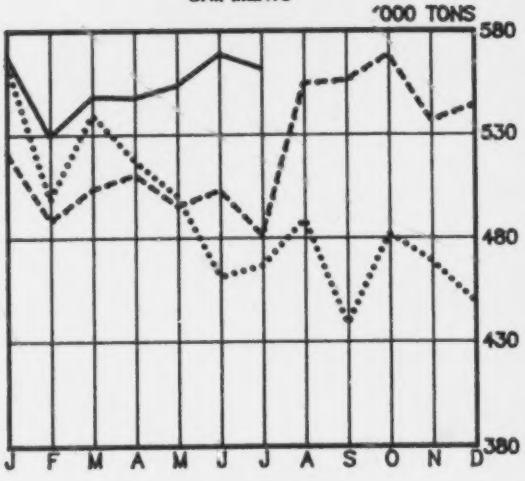
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



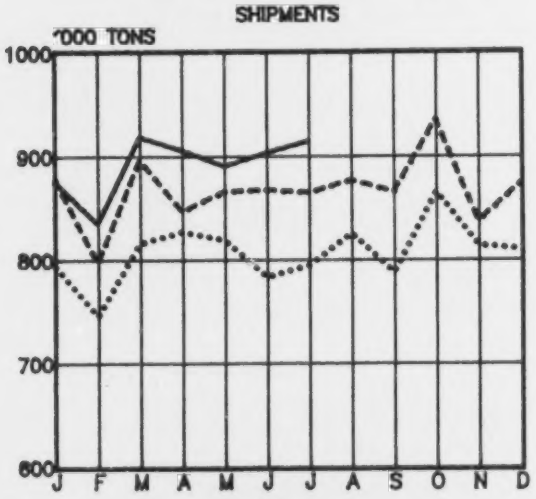
COATED PAPER

SHIPMENTS



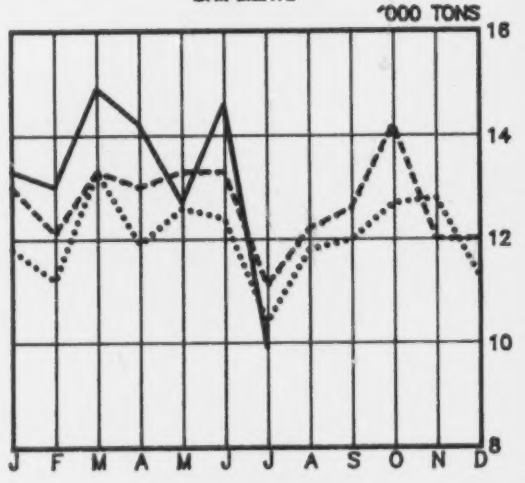
UNCOATED FREE SHEET PAPERS

SHIPMENTS



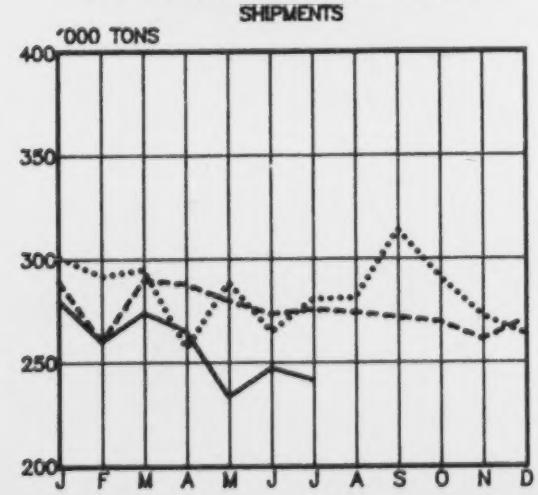
COTTON FIBER PAPER

SHIPMENTS



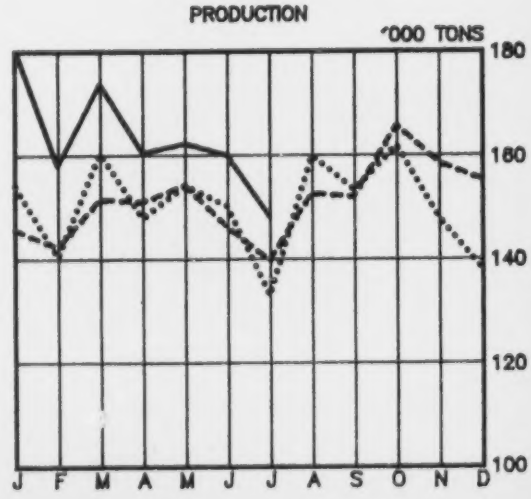
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ..... 1986 ----- 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	MARCH 1987	APRIL 1987	MAY 1987	JUNE 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	54,147	57,268	5,026	4,882	4,916	4,977	58,985	3.7
- Imports	4,466	4,582	447	377	388	390	4,871	8.4
- Exports	3,791	4,458	471	390	377	455	4,742	6.9
- New Supply	54,821	57,392	5,002	4,869	4,927	4,911	59,114	3.8
Dissolving Pulp - Production	1,174	1,258	114	108	99	113	1,281	2.6
- Imports	175	255	20	25	13	21	219	-10.6
- Exports	631	711	83	59	52	62	748	10.4
- New Supply	718	801	51	74	60	72	752	-7.8
Paper Grades - Production	43,696	46,333	4,077	3,966	3,997	4,045	47,888	3.9
Chemical Pulp - Imports	4,104	4,220	403	341	365	354	4,500	8.5
- Exports	3,131	3,689	383	329	323	391	3,968	7.6
- New Supply	44,668	46,864	4,097	3,978	4,039	4,008	48,420	4.0
Groundwood and - Production	5,251	5,545	474	457	475	470	5,633	3.0
Thermo-Mech. - Imports	187	108	24	12	10	14	152	51.0
- Exports	29	59	5	3	2	1	25	-64.8
- New Supply	5,409	5,594	493	466	482	483	5,759	4.8
Semi-Chemical - Production	4,027	4,133	361	350	346	348	4,183	2.8
- Imports								
- Exports								
- New Supply	4,027	4,133	361	350	346	348	4,183	2.8
MARKET WOOD PULP								
Total Market - Production	6,800	7,567	686	670	637	693	7,899	6.7
Wood Pulp - Imports	2,791	3,048	288	248	224	263	2,935	-3.4
- Exports	3,784	4,470	444	381	388	443	4,624	3.0
- New Supply	5,807	6,145	530	537	473	514	6,211	4.3
Dissolving Pulp - Production	1,172	1,251	113	108	99	113	1,275	3.0
- Imports	174	212	17	19	7	17	168	-21.4
- Exports	667	718	73	61	64	74	756	6.2
- New Supply	679	745	57	66	42	56	686	-7.2
Paper Grades - Production	5,613	6,303	572	561	537	579	6,610	7.4
Chemical Pulp - Imports	2,531	2,754	246	225	214	239	2,677	-2.3
- Exports	3,117	3,752	371	320	325	369	3,867	2.4
- New Supply	5,028	5,305	447	466	426	450	5,420	6.0
Groundwood Pulp Production	15	13	1	1	1	1	14	4.5
and All Other - Imports	86	83	24	5	4	6	91	4.4
- Exports	1	0	0	0	0	0	0	0.0
- New Supply	100	96	26	6	5	8	105	4.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

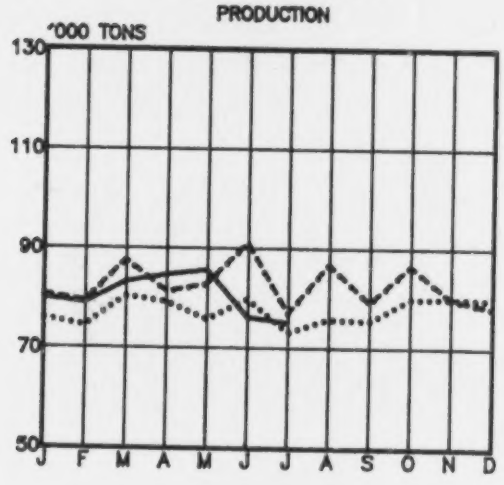
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69,670	73,225	6,484	6,228	6,367	6,337	75,711	3.7
Total Wood Pulp	54,047	56,555	4,998	4,791	4,867	4,863	58,296	3.6
Waste Paper	15,623	16,670	1,485	1,437	1,500	1,474	17,415	4.2
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own Use Inventories	165	174	197	186	183	177	177	3.6
Producers' Market Inventories	485	284	292	300	286	275	275	-9.7
Consumers' Purchased Inventories	503	569	573	580	570	593	593	1.7
Waste Paper at Paper & Bd. Mills	969	933	755	775	752	773	773	-4.5
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	16	16	15	15	15	-16.7

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

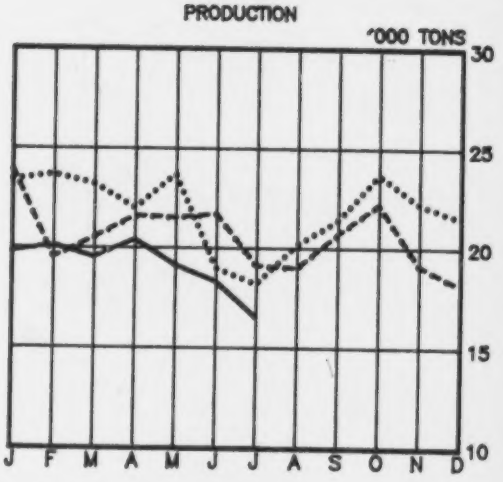
BLEACHED BRISTOLS

PRODUCTION



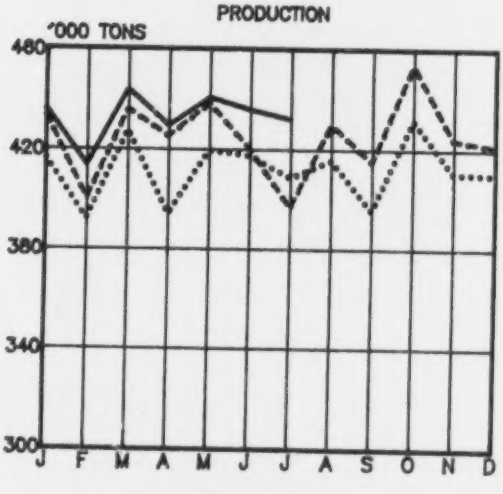
THIN PAPER

PRODUCTION



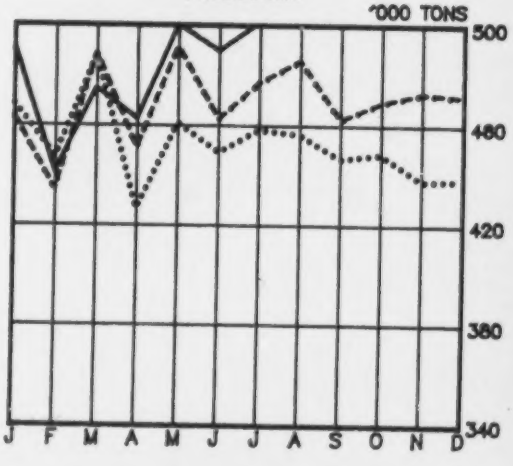
TISSUE PAPER

PRODUCTION



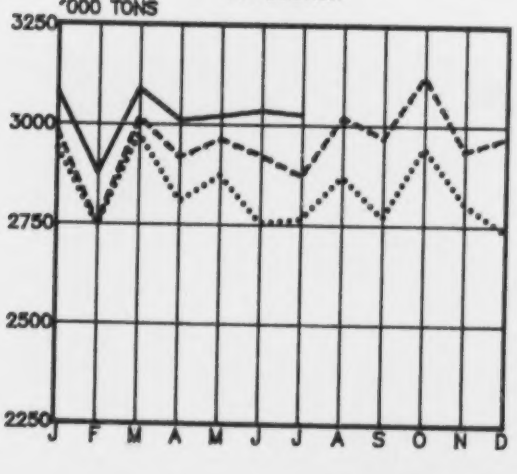
NEWSPRINT

PRODUCTION



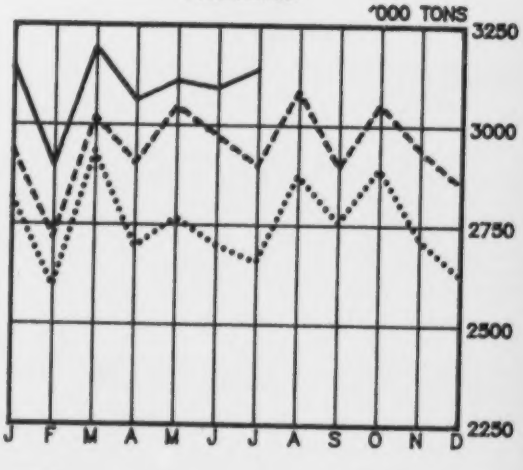
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ····· 1986 - - - - - 1987 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	MARCH 1987	APRIL 1987	MAY 1987	JUNE 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85 499	90,943	7 912	7 873	7,382	7 743	93 356	3 5
	- Total Consumpt	85.744	91,434	7 869	7,855	7,582	7,723	93,238	2.6
	Residues *	30.464	32.755	2 715	2 783	2 629	2 739	32,512	-2.8
	- Inventories	5 046	4.794	4,891	4,950	4,557	4,651	4,651	-4.1
So. Atlantic	- Total Receipts	27 589	29 513	2 563	2 523	2,570	2,555	30 336	2 1
	- Total Consumpt	27.815	29 425	2,539	2,515	2,580	2,530	30,418	3.1
	Residues *	7.970	9.343	718	721	748	768	8 944	-5.0
	- Inventories	1,117	994	875	922	963	992	992	-9.5
Northeast	- Total Receipts	7.430	7 277	618	502	511	586	7 134	-0.6
	- Total Consumpt	7.394	7.227	612	515	561	580	7,294	-2.2
	- Residues *	1,539	1.419	129	117	118	147	1 596	10.1
	- Inventories	544	484	535	430	402	440	440	27.5
South Central	- Total Receipts	29 786	31,790	2 874	3.007	2 565	2,734	33,322	6 9
	- Total Consumpt	29,914	32,113	2,804	2,812	2,561	2,752	32,704	3.4
	- Residues *	9 207	9 792	809	912	803	872	10 296	6.9
	- Inventories	1 198	926	924	1,101	1,062	1,033	1,033	4.1
North Central	- Total Receipts	6.430	6 571	469	409	431	545	6 350	0.2
	- Total Consumpt	6,296	6,730	575	551	547	575	6,746	0.7
	Residues *	1,290	1 042	91	85	81	86	1 014	-5.1
	- Inventories	884	892	1,046	949	809	811	811	6.4
West	- Total Receipts	14,264	15,792	1,388	1,432	1,305	1,323	16 214	2.4
	- Total Consumpt	14,325	15,939	1,339	1,362	1,333	1,286	16,076	3.4
	- Residues *	10,458	11,159	908	948	879	866	10 662	-10.2
	- Inventories	1,303	1,498	1,511	1,548	1,321	1,375	1,375	-17.0

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 24-Aug-87

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1986 ($000's)	MAY 1987 Tons	MAY 1987 ($000's)	JUNE 1987 Tons	JUNE 1987 ($000's)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	92	14	28	3	1 238	-96.9
Pulpwood chips	723,257	19,488	43,184	1,205	33,740	806	355,684	-61.0
Wood Pulp, Total	3,949 414	1,422,180	353,286	148 203	350,254	151,829	4 384.516	14.4
Waste Fibrous Materials, Total	157,870	27,196	19,662	3,951	15,400	2,986	192,347	16.5
Paper, Board & Products, Total	9 963,486	4,467 761	900 452	417.895	900,550	405.012	10.678.137	10.4
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268 820	888 279	398.565	888 918	385 208	10 526 903	10.1
Paper, Paperboard & Products	9,715.710	4,393,592	882,716	412,263	882,286	399,647	10,444 984	10.8
Paper & Paperboard, Only	9,594,378	4 194,651	870,542	392 932	870,653	379 843	10 293.750	10.6
Paper, Total	9,367,380	4,130,464	848,864	386,165	847,953	373,067	10,042,775	10.4
Newsprint	8 269 333	3,556 983	736 501	327 544	740 785	316 518	8 716 112	7.3
Printing, Writing & Rel. Pap.	868,628	457,605	90,080	46,893	86,362	45,132	1,058,442	37.2
Pack. & Ind. Conv. Paper	182,481	81,492	17,825	8 416	16 366	7 970	222 693	34.4
Special Industrial Paper	4,766	7,893	426	780	471	919	6,241	49.2
Tissue Paper	42,173	26,411	4,033	2,532	3 969	2 529	39 288	24.8
Paperboard, Total	226,998	64,187	21,678	6,768	22,700	6,776	250.974	20.1
Convtd Paper&Paperbd Products	121,332	198,941	12,173	19 331	11,633	19,804	151,234	30.1
Wet Machine Board	2,332	1,570	205	144	329	213	3,106	34.7
Construction Paper & Board	245 444	72,599	17 532	5 488	17 935	5 152	230 047	-6.8

EXPORTS TO CANADA

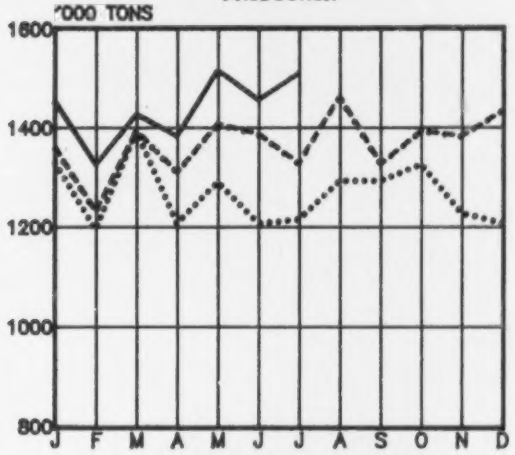
Pulpwood, Roundwood (in cords of 128 cubic feet)	39 191	2,201	0	0	0	0	3 492	-91.6
Pulpwood chips	262 844	13,577	5,765	373	5,131	291	82,248	31.0
Wood Pulp, Total	262,353	76,591	17 619	5 911	17 310	6 721	200,638	-26.1
Cotton Pulp & Other Pulp	33.629	10,458	5,172	1,421	3,441	921	41,014	59.2
Waste Paper	226 215	23,254	19 736	2.044	26 535	2 864	263,226	45.9
Paper, Board & Products, Total	846 141	464,795	68,515	47.898	81,515	54,280	888,502	-2.0
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	691,355	315 820	50 427	30 324	60 102	35 377	674,701	-11.0
Paper, Paperboard & Products	816.282	452,239	65,508	46,455	77.750	52,629	852,191	-3.0
Paper & Paperboard, Only	661,496	303.265	47 420	28 881	56 337	33,725	638 389	-12.5
Paper, Total	278.911	200,168	21,810	19,070	27,416	22,732	301,480	0.4
Newsprint	6.040	4.457	370	324	531	446	5 153	36.1
Printing, Writing & Rel. Pap.	121,167	99,480	10,362	8 625	14,355	10,828	146,149	17.4
Pack. & Ind. Conv. Paper	25,614	16 467	1,828	1 315	1,712	1,398	24,772	-11 7
Special Industrial Paper	122,874	75,189	9,007	8,444	10,531	9,555	121,862	-13.7
Tissue Paper	3,217	4 577	243	362	287	505	3,543	29.1
Paperboard, Total	382,584	103,096	25,610	9,812	28,921	10,993	336 910	-21.5
Convtd Paper&Paperbd Products	154 786	148 975	18 088	17 574	21,413	18 904	213,801	43.4
Wet Machine Board	10,728	4,638	972	466	1,133	498	12,078	11.1
Construction Paper & Board	19,132	7 918	2,034	977	2,632	1,154	24 234	39.2

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 24-Aug-87

UNBLEACHED KRAFT LINERBOARD

PRODUCTION

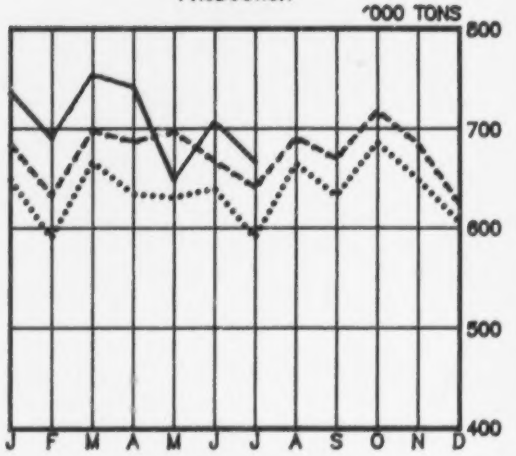
'000 TONS



RECYCLED PAPERBOARD

PRODUCTION

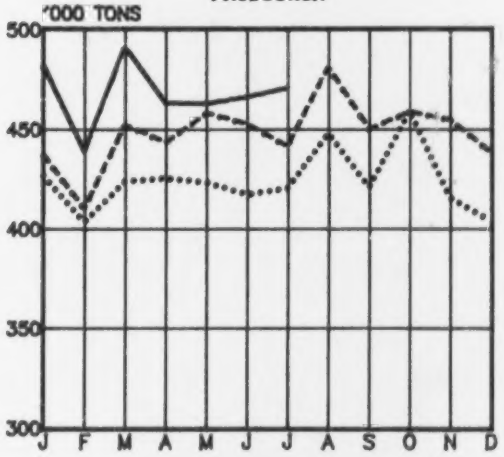
'000 TONS



SEMICHEMICAL PAPERBOARD

PRODUCTION

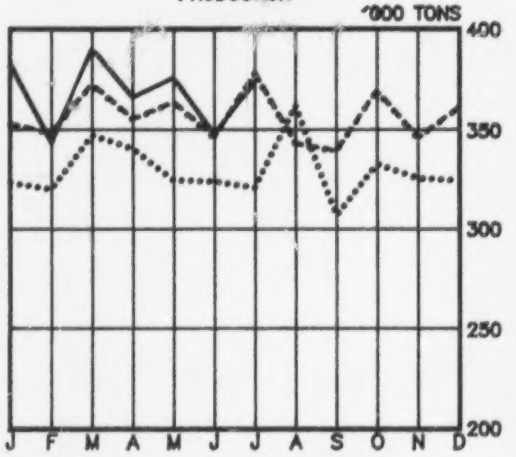
'000 TONS



SOLID BLEACHED PAPERBOARD

PRODUCTION

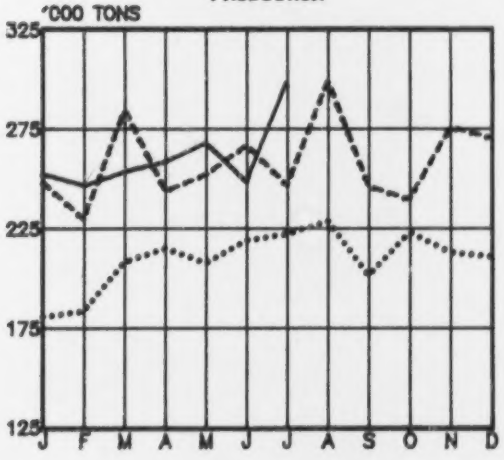
'000 TONS



PAPERBOARD FOR EXPORT

PRODUCTION

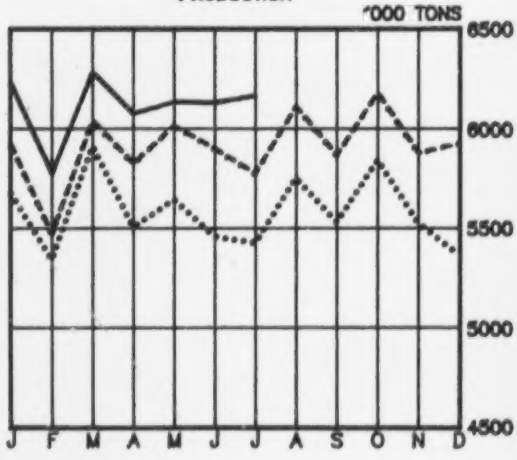
'000 TONS



TOTAL PAPER AND PAPERBOARD

PRODUCTION

'000 TONS



1985 ····· 1986 - - - - 1987 ———

I M P O R T S

	YEAR 1986 Tons	YEAR 1986 $000	1987 MAY Tons	1987 MAY $000	1987 JUNE Tons	1987 JUNE $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,565	116	20	28	3	1,338	-96.86
Pulpwood Chips	724,828	19,342	43,216	1,215	33,832	816	483,402	-47.12
Total All Imports	16,722,494	7,674,736	1,459,359	718,474	1,476,213	724,417	17,816,946	9.67
Wood Pulp Total	4,581,760	1,601,378	387,634	163,822	389,512	169,303	4,871,138	8.44
Waste Paper	99,313	11,182	11,504	1,672	9,355	1,318	116,690	18.96
Other Fibrous Materials	104,969	26,326	10,465	3,382	7,669	2,725	94,667	-31.68
Paper Board & Products Total	11,936,452	6,035,850	1,049,756	549,598	1,069,677	551,071	12,734,451	10.56
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,014,604	469,498	1,034,941	468,118	12,307,780	10.24
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,928,457	1,023,665	541,022	1,043,396	542,469	12,415,111	11.01
Paper & Paperboard Only	11,206,901	5,139,735	988,512	460,921	1,008,660	459,516	11,988,440	10.70
Paper Total	10,925,453	5,051,917	956,187	449,340	977,901	448,565	11,602,574	9.69
Newsprint	8,587,507	3,682,351	760,641	337,529	776,130	330,774	9,048,026	7.04
Printing & Writing	2,029,302	1,179,802	167,013	94,254	171,350	97,747	2,183,964	18.62
Uncoated Groundwood	1,028,231	531,149	95,545	47,448	93,197	46,733	1,176,203	30.36
Coated Print.& Impreg. Pap.	501,382	359,495	37,253	25,517	49,492	33,100	567,605	22.16
Uncoated Free Sheet	453,638	254,627	30,137	18,241	24,798	14,523	386,077	-9.92
Uncoated Book	223,798	126,278	17,762	10,293	13,683	7,428	203,412	-7.15
Writing and Similar Paper	229,841	128,349	12,376	7,948	11,114	7,095	182,665	-12.81
Thin (except Cigarette)	45,351	33,831	3,998	2,961	3,788	3,311	53,154	17.94
Bristols	700	700	80	88	75	80	925	70.46
Total Pkg & Other Paper	242,571	146,212	22,872	13,648	23,817	15,324	310,308	37.64
Unbleached Kraft Paper	115,008	42,650	13,922	5,702	13,949	5,819	168,930	71.27
Other Pkg. & Indust. Paper	127,562	103,562	8,950	7,946	9,868	9,505	141,378	11.48
Tissue	66,073	43,552	5,661	3,909	6,605	4,719	60,276	3.52
Paperboard, Total	281,448	87,818	32,326	11,582	30,759	10,952	385,867	52.90
Test or Containerboard	78,063	25,596	7,079	2,435	5,589	1,976	82,351	17.94
Semi-Chemical Corrugating	99,062	22,092	9,224	2,294	12,476	3,093	124,494	38.20
Other Paperboard	104,324	40,130	16,023	6,853	12,693	5,884	179,022	93.64
Convtd Paper&Paperbd Products	389,907	788,721	35,152	80,101	34,736	82,952	426,671	20.65
Paper Products, Total	361,517	730,257	32,099	74,870	31,928	77,189	391,020	20.06
Paperboard Products, Total	28,390	58,464	3,053	5,231	2,808	5,763	35,651	27.52
Wet machine Board	3,235	2,525	255	194	387	270	3,626	3.36
Construction Paper & Board	336,409	104,868	25,836	8,382	25,894	8,332	315,714	-4.54
Notes								
Other: No Weight Avail. ($000)		212,338		19,176		20,573	219,318	12.41
Total Imports Incl. Other($000)		7,887,074		737,650		744,989	8,959,896	19.92

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	42,190	2,373	0	0	0	0	5,836	-87.72
Pulpwood Chips	2,428,333	170,022	150,266	11,064	162,390	12,006	2,135,780	2.36
Total All Exports	13,171,472	4,685,557	1,174,684	478,599	1,307,947	537,728	14,301,289	9.69
Wood Pulp,Total	4,458,313	1,662,466	376,564	172,586	454,720	206,328	4,741,396	6.87
Cotton Pulp and Other Pulp	157,452	72,500	16,573	7,926	12,623	7,500	153,648	-13.02
Waste and Old Paper	3,748,711	411,076	370,424	46,373	347,890	44,587	4,169,090	12.95
Paper, Board & Products,Total	4,807,397	2,539,515	411,123	251,714	492,714	279,314	5,237,155	10.65
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,280,900	1,853,726	356,046	182,963	430,159	208,221	4,562,707	8.01
Paper, Ppbd & Prod ex Cnst&WMB	4,713,355	2,487,618	402,492	246,054	484,588	274,963	5,132,797	10.66
Paper & Paperboard, Only	4,186,858	1,801,828	347,415	177,303	422,033	203,869	4,458,349	7.96
Paper, Total	883,689	642,597	68,546	61,266	79,705	65,725	907,422	7.85
Newsprint	392,228	194,549	24,797	15,742	27,907	17,047	355,250	12.96
Printing & Writing	190,656	185,271	18,129	19,744	23,615	21,835	228,088	13.96
Uncoated Groundwood	40,847	28,947	2,765	2,075	4,416	2,997	43,300	-9.23
Clay Coated Paper	78,248	57,856	7,585	5,856	9,343	6,679	96,505	16.76
Uncoated Free Sheet	50,140	71,354	5,342	8,983	6,495	8,618	60,406	18.45
Other Printing & Writing	21,420	27,114	2,437	2,830	3,360	3,542	27,876	48.36
Total Pkg. & Other Paper	284,048	241,426	22,928	23,353	25,136	24,071	294,132	-5.38
Unbleached Kraft	78,248	32,009	6,523	3,050	6,321	2,845	83,326	3.53
Other Pkg. & Indust. Paper	205,800	209,417	16,405	20,303	18,815	21,226	210,806	-8.49
Tissue	16,758	21,351	2,692	2,427	3,047	2,772	29,952	88.47
Paperboard, Total	3,303,169	1,159,231	278,869	116,037	342,328	138,144	3,550,927	7.99
Solid Wood Pulp	2,982,073	1,074,964	254,267	105,398	304,410	123,411	3,271,430	11.40
Total Linerboard	2,177,420	635,749	174,592	61,123	225,840	79,174	2,309,180	7.88
Bleached Kraft Linerboard	133,787	51,448	10,446	4,591	5,000	2,350	56,245	-63.57
Unbleached Kraft Linerbd	2,043,633	584,301	164,146	56,532	220,840	76,824	2,252,935	13.43
Other Unbleached Kraft	157,614	57,548	12,920	5,020	20,250	7,559	222,065	44.29
Other Bleached Kraft	571,298	359,954	56,847	35,956	53,889	35,048	661,828	15.93
Semi-Chemical Corrugating	76,641	21,713	9,909	3,299	4,431	1,631	78,356	9.98
Recycled Paperboard	320,196	84,268	24,602	10,640	37,918	14,733	279,497	-20.48
Convtd Paper&Paperbd Products	526,497	685,789	55,077	68,751	62,555	71,094	674,448	32.55
Paper Products, Total	240,171	456,429	25,148	44,755	26,947	47,508	292,998	29.31
Paperboard Products, Total	286,327	229,360	29,929	23,996	35,608	23,586	381,450	35.15
Wet Machine Board	18,893	7,259	1,735	832	1,649	690	21,450	4.48
Construction Paper & Board E	75,149	44,639	6,897	4,828	6,477	3,662	82,908	11.54
Notes								
Other: No Weight Avail. ($000)		7,298		734		717	8,122	-2.71
Total Exports Incl. Other($000)		4,692,855		479,333		538,446	5,780,538	29.10

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	APRIL 1987	MAY 1987	JUNE 1987	JULY 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	309.2	309.0	309.6	311.5	308.2	6.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	310.7	310.6	311.1	312.9	309.8	5.8
Total Wood Pulp	346.6	358.7	411.9	418.2	426.5	420.8	411.6	19.0
Total Paper	303.4	306.3	315.3	314.5	314.2	318.0	315.5	4.0
Total Paper, exc. Newsprint	298.8	300.4	301.7	300.6	300.3	303.8	303.9	2.2
Newsprint	332.9	326.1	342.7	343.1	343.1	355.8	344.3	6.3
Total Paperboard	274.6	271.9	295.8	296.2	295.1	296.3	294.0	9.6
Total Paper and Paperboard *	294.4	295.4	309.2	308.8	308.2	311.2	306.0	5.8
Converted Products	288.1	289.3	301.5	301.2	301.8	302.7	300.4	4.6
Waste Paper	148.8	172.8	218.8	217.5	221.8	226.2	213.4	40.3
All Commodities	308.2	299.8	305.1	307.3	308.5	310.2	300.9	1.4
Industrial Commodities	324.0	312.1	317.4	318.6	320.2	322.6	317.6	1.9

SOURCE: Producer Price Indexes, Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

UNITED STATES
RECYCLABLE PAPER UTILIZATION AND RECOVERY

1980 - 1986

(Thousands of Tons)

YEAR	Paper and Board Production	New Supply Paper and Board	Recyclable Paper Consumption at Paper & Board Mills	Recyclable Paper Utilization Rate	Recyclable Paper for Molded Pulp, Insulation and other Uses	Exports	Imports	Total Recyclable Paper Recovered	Recyclable Paper Recovery Rate
1980	63,536	67,102	14,922	23.4%	473	2,664	(87)	17,972	26.8%
1981R	64,259	67,957	15,037	23.4%	480	2,213	(79)	17,650	26.0%
1982R	60,962	64,740	14,433	23.7%	487	2,127	(74)	16,973	26.2%
1983R	66,764	71,183	15,638	23.4%	484	2,573	(100)	18,595	26.1%
1984R	70,268	76,956	16,724	23.8%	460	3,235	(110)	20,309	26.4%
1985R	68,830	76,281	16,371	23.8%	478	3,286	(87)	20,048	26.3%
1986P	72,662	79,766	17,458	24.0%	491	3,749	(99)	21,599	27.1%

P = Preliminary

R = Revised

Source: 1987 Statistics of Paper, Paperboard and Wood Pulp

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

AUGUST 28, 1987

PRODUCTION (000 TONS)

	JULY 1987	JUNE 1987	JULY 1986	FIRST SEVEN MONTHS 1987	FIRST SEVEN MONTHS 1986	% CHANGE YR TO DATE 1987/1986
PAPER GRADES						
Newsprint	502	490	477	3,360	3,268	2.8
Printing & Writing	1,702	1,702	1,583	11,798	11,219	5.2
Uncoated Groundwood (s)	123	121	130	887	882	0.6
Coated Paper (s)	563	569	481	3,878	3,502	10.7
Uncoated Free Sheet Paper (s)	915	903	865	6,244	6,019	3.7
Thin Paper (s)	16	18	19	134	148	-9.5
Cotton Fiber Paper (s)	10	15	11	93	89	4.0
Bleached Bristols (s)	75	76	77	563	580	-2.8
Tissue Paper	432	436	397	3,031	2,951	2.7
Total Pkg & Other Paper	389	407	415	2,943	2,986	-1.4
Unbleached Kraft Packaging & Indl. Converting (s)	241	247	276	1,800	1,956	-7.9
Other Paper	148	160	140	1,143	1,030	10.9
TOTAL PAPER	3,025	3,035	2,872	21,132	20,424	3.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,632	1,573	1,439	10,853	10,185	6.6
Unbleached Kraft Linerboard	1,509	1,454	1,326	10,059	9,408	6.9
Other Unbl. Kraft Paperboard	123	119	113	794	776	2.3
Semichemical Paperboard	471	466	441	3,273	3,094	5.8
Bleached Paperboard	372	347	378	2,575	2,514	2.4
Recycled Paperboard	665	706	640	4,936	4,700	5.0
TOTAL PAPERBOARD	3,140	3,092	2,898	21,637	20,492	5.6
TOTAL PAPER AND PAPERBOARD	6,165	6,127	5,770	42,770	40,916	4.5

WOOD PULP (ALL GRADES)	JUNE 1987	MAY 1987	JUNE 1986	First 6 Months 1987	First 6 Months 1986	% Change 87/86
Dissolving & Special Alpha	113	99	107	640	624	2.6
Bleached Sulfite	106	101	115	636	695	-8.5
Unbleached Sulfite	15	13	15	81	86	-5.4
Bleached & Semi-Bl. Sulfate	2182	2139	2048	12733	11982	6.3
Unbleached Sulfate	1743	1744	1762	10494	10291	2.0
Semichemical	348	346	345	2092	2035	2.8
Groundwood & Thermomechanical	470	475	449	2817	2733	3.0
TOTAL PULP DIVISION DATA	4977	4916	4840	29492	28446	3.7

(s) - Shipments
(s) - Shipments R - Revised
P - Preliminary

August 28,1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year -	% From Same Pd.
			R		P	To - Date	Last Year
PAPER AND PAPERBOARD — Tons (000)	1985	1986	May	June	July	1987	
Total Production (API).....: excluding :...	67,030	70,861	6,132	6,127	6,165	73,319	4.5
Total Seasonally Adjusted.....:construction:...			6,100	6,111	6,121	73,072	4.6
Imports (including Products).: and wet :..E	11,106	11,597	1,024	1,043	1,033	12,412	8.1
Exports (including Products).: machine :..E	4,009	4,713	402	485	470	5,205	10.6
Apparent Consumption.....: grades :...	74,127 a	77,745 b	6,721	6,669	6,684	80,279 c	4.8
Paper Production % Tonnage Capacity.....	90.5 g	93.0 g	89.1	92.3	88.9	92.6 gn	-
Paperboard Production % Tonnage Capacity.....	90.0 g	94.4 g	95.4	97.4	95.4	97.5 g	-
			April	May	June		
IMPORTS.....:Including Construction and :...	11,521	11,936	1,065	1,050	1,070	12,735	10.6
EXPORTS..... WMB Grades (excl. HPB) :...	4,077	4,807	436	411	492	5,236	10.6
			April	May	June		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6,800	7,567	670	637	693	7,899	6.7
TOTAL WOOD PULP PRODUCTION - Tons (000).....	54,147	57,268	4,882	4,916	4,977	58,985	3.7
WOOD PULP IMPORTS - TONS (000).....	4,466	4,582	377	388	390	4,871	8.4
WOOD PULP EXPORTS - TONS (000).....	3,791	4,458	390	377	455	4,742	6.9
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			April	May	June		
Wood Pulp.....:consumption for:.....	55,047	56,555	4,791	4,867	4,863	58,296	3.6
Waste Paper.....:construction & :.....	15,623	16,670	1,437	1,500	1,474	17,415	4.2
TOTAL.....: WMB grades :.....	70,670	73,225	6,228	6,367	6,337	75,711	3.7
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	7,855	7,582	7,723	93,238	2.6
EMPLOYMENT (000)			May	June	July		
Paper and Allied Products.....Total.....	677.7	674.3	675.1	683.5	678.0	676.1	0.6
Pulp, Paper and Board Mills.....Total.....E	252.3	248.5	244.8	249.1	247.9	246.8	-0.7
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			May	June	July		
Paper and Allied Products.....	10.82	11.14	11.40	11.42	11.51	11.33	2.2
Pulp, Paper Mills.....E	13.11	13.58	13.98	13.91	14.00	13.86	2.8
Paperboard Mills.....E	13.60	14.01	14.27	14.27	14.38	14.16	1.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q4	1987 Q1	1987 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.76	8.69	8.03	8.48	8.48 y	-3.2
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			May	June	July		
:IN PULP, PAPER :...Production Workers.....	123.6	131.2	137.4	138.3	124.8	135.8	5.0
:AND BOARD MILLS:...All Employees.....	122.1	130.4	135.8	136.1	122.6	133.3	3.5
PAPER AND ALLIED PRODUCTS (Million $)			May	June	July		
Industry Shipments (Dept. of Commerce)*.....	97,664	106,322	9,547	9,786	10,159	115,080	14.3
Pulp, Paper and Paperboard*.....	41,830	45,565	4,056	4,114	4,437	49,371	14.7
Inventories (End of Period) - Total Industry*..	9,728	10,250	10,909	10,906	10,877	10,877	7.6
Pulp, Paper and Paperboard*.....	3,800	4,078	4,201	4,175	4,142	4,142	4.6
			1986 Q3	1986 Q4	1987 Q1		
Sales (Corporations Only).....	71,465	74,844	18,904	19,948	19,941	79,764	13.8
Earnings (Corporations Only).....	2,880	3,280	819	957	996	3,984	70.8
Depreciation (Corporations Only).....	3,099	3,389	843	883	951	3,804	16.1
Net Worth (Corporations Only).....	29,694	31,221	31,018	31,221	32,231	32,231	7.5
PRICE INDEXES (Bureau of Labor Stats)1967=100			May	June	July		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	309.0	309.6	311.5	308.2	6.1
Wood Pulp.....	346.6	358.8	418.2	426.5	420.8	411.6	19.0
Waste Paper.....	148.8	172.8	217.5	221.8	226.2	213.4	40.3
Paper.....	303.4	306.3	314.5	314.2	318	315.4	4.0
Paperboard.....	274.6	271.6	296.2	295.1	296.3	294.4	9.9
PAPER DEMAND (INDEXED 1977=100)			May	June	July		
Total Paper Production *.....	122.8	127.9	130.8	130.9	131.0	130.7	3.5
Paper New Supply *.....	128.7	133.6	137.6	137.0	211.6	148.1	12.1
Demand Indicators - (Weighted Average) *.....	142.0	149.3	156.9	157.2	157.8	155.0	4.8
Production of Nondurable Goods *...(21.2%).	125.3	130.9	136.6	137.2	138.4	135.9	4.7
Disposable Income .....*.(23.9%)	128.4	133.6	135.6	134.6	134.0	134.4	0.9
Total Printing and Publishing *...(54.9%).	154.3	163.3	174.0	174.8	175.6	171.3	6.2
Trend Factor	Not Available						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	114.3	122.0	127.7	128.0	128.4	127.3	5.8
Production for Domestic Use	112.8	118.9	124.5	125.7	123.8	124.4	6.0
Demand Indicators - (Weighted Average) *.....	120.1	122.1	125.2	125.5	126.5	124.9	2.6
Production of Consumer Goods *...(62.06%)	120.5	124.5	127.8	127.9	128.8	127.6	3.0
Production of Equipment *...(5.75%)	146.4	142.8	146.0	146.3	147.8	145.4	1.8
Production of Materials *...(32.19%)	114.5	113.9	116.4	117.3	118.2	116.2	2.1
Trend Factor	Not Available						
NEWSPRINT MARKETS			April	May	June		
Consumption by Publishers - Tons (000).....	12,773	13,158	1,136	1,183	1,085	15,262	18.7
Newspaper Pub. and Printing Empl. Total(000)...	454	461	458	459	461	458	-0.3
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	155,545	153,300	13,791	13,637	12,619	148,920	-1.8
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	36,798	40,521	3,772	3,530	3,972	43,886	11.1
Inventories (End of Period).	3,267	3,552	3,568	3,528	3,460	3,460	3.2
FIBRE BOX DATA (Fibre Box Association)			May	June	July		
Fibre Box Shipments (Million square feet).....	267,451	283,921	23,630	25,455	25,341	295,550	4.6
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,383	2,385	2,502	2,502	4.7
RETAIL TRADE (Million $)			May	June	July		
Total Retail Sales *.....	1,372,853	1,445,568	124,867	126,620	127,574	1,493,954	5.5
Nondurable Goods Stores Sales *.....	859,316	882,505	77,084	77,535	77,818	921,670	4.9
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	May 128.3	June 128.8	July 129.8	127.9	2.5
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	307.3	308.5	310.2	305.3	1.4
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	338.7	340.1	340.8	337.2	3.1
			April	May	June		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	577.9	580.1	585.3	585.3	3.4
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1986 Q4	1987 Q1	1987 Q2		
G.N.P. or Expenditure - Current $.....	4,010	4,235	4,288	4,378	4,448	4,413	5.2
G.N.P. or Expenditure - 1982 $.....	3,607	3,713	3,732	3,772	3,794	3,783	2.2

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 620 + 18 = 638 239.3
.b - 644 + 17 = 661 241.6
.c - 656 + 17 = 673 243.2
.e - estimated by API

r - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to Conform with API Division data
j - Census unpublished data: standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.

The international market for this pulp has become more important in recent years. In 1984, exports accounted for 49% of total production; they rose to 55.5% in 1985, 59.5% in 1986, and 58.5% in the first seven months of 1987.

Consistent with the strong domestic demand for paper and paperboard, total wood pulp production showed a first-half 1987 increase of 3.7% over its comparable 1986 total, bringing the 1987 rate to 60.0 million tons.

CAPITAL APPROPRIATIONS/SPENDING

Capital expenditures by the paper industry advanced to record-high levels in 1986 and all indications are that they will remain strong this year. Nevertheless, data compiled independently by two major research organizations -- the Conference Board and the Commerce Department -- point to slightly different expenditure profiles for 1987. The Conference Board has reported that capital outlays by paper companies included in the 1,000 largest U.S. manufacturing firms were 14.6% above their year-ago total in the first quarter of 1987. Newly-approved appropriations by these companies advanced from $528 million in the first quarter of 1986, which was the low point for last year, to $1.65 billion in the fourth quarter and $1.76 billion in the first quarter of 1987. Their average quarterly level for all of 1986 came to $1.211 billion.

Closing backlogs at the end of March 1987 stood at $5.04 billion, the highest level since the second quarter of 1985. The strength in new appropriations and the steady expansion of backlogs from $3.91 billion at the end of 1986's second quarter to $5.04 billion at the end of March 1987 point to continued strength in capital spending by the paper industry.

Data compiled by the Commerce Department, which pertain to all paper and allied product companies, indicate that the industry's new plant and equipment expenditures fluctuated in a narrow range during the four quarters of 1986, with the full-year total at a record high of $8.76. However, the Commerce Department reported that expenditures eased downward to an $8.03 billion annual rate during the first quarter of 1987. The Conference Board data showed a decline in capital outlays in the fourth quarter of 1986, suggesting that part of the discrepancy between the two series may relate to timing.

The Commerce Department anticipates steady increases in paper industry capital expenditures during the remainder of 1987, which is consistent with the Conference Board's appropriations trend. Outlays are expected to advance from an $8.03 billion per year rate in the first quarter to $8.88 billion in the fourth quarter. If realized, these increases will bring the full-year 1987 paper industry capital outlays to $8.48 billion, or just 3.2% below the 1986 total.

The strength of paper industry capital expenditures reflects the industry's efforts to improve efficiency and quality through modernization, along with expenditures for capacity expansions to meet

future demand. Examples of some major projects scheduled for completion in 1988 include a 235,000 ton-per-year uncoated groundwood mill being constructed in Minnesota and a 300,000 ton-per-year uncoated free sheet machine in Louisiana. A recycled newsprint mill has also been announced with startup scheduled for 1989.

DEMAND FOR RECYCLABLE PAPER

Demand for recyclable paper collected in U.S. markets rose sharply in 1986 and has continued to record strong growth in 1987 as a result of gains in both domestic consumption and exports. Total collections of U.S. waste paper grew 7.7% in 1986 to a post-World War II high of 21.6 million tons. New supply of paper and board (including the construction grades) rose 4.6% in 1986, to 79.8 million tons. The recovery rate, defined as the ratio of recyclable paper collected to new supply of paper and paperboard, climbed from 26.3% in 1985 to 27.1% in 1986, which was also a post-war high. (See table on page 10.)

Increases in the recovery rate have been stimulated by rapid gains in waste paper exports. The share of U.S. waste paper sold abroad relative to total U.S. collections rose from 3.2% during the early 1970's to 12.4% in 1979 and 17.4% in 1986. Total U.S. exports of waste paper were at a record-high of 3.7 million tons last year, 14% above their 1985 total. Exports rose further in 1987; the first-half 1987 rate was above 4 million tons, some 13% above its year-earlier rate. Old corrugated containers, the largest waste paper export category, accounted for 41% of the 1986 total. At 1.53 million tons, these exports were up 16.7% from their 1985 level. They rose an additional 16.5% relative to their year-ago level in the first half of of 1987. Exports of mixed papers slumped during 1986, but have been rebounding this year.

The seven largest foreign markets for U.S. waste paper, in order of their 1986 importance, were Taiwan, Korea, Mexico, Japan, Canada, Italy and Spain. These countries accounted for 86% of U.S. waste paper exports in 1986. The same seven countries, in the same order, also headed the list in 1985.

Consumption of paper stock at domestic paper and paperboard mills, at 17.5 million tons, advanced 6.6% in 1986 following a 2.1% reduction in 1985. The 1985 reduction paralleled the trend in paper and board production, so the utilization rate -- the ratio of recyclable paper consumption to paper and paperboard production -- remained at 23.8%. Recyclable paper consumption rose faster than paper and board production in 1986, and the utilization rate edged up to 24.0%. During the first half of 1987, waste paper consumption at U.S. mills rose 4.2% from its year-ago level, mirroring the gains in paper and board production.